

## **Denali Progress Report – Quarter ending December 31, 2009**

Alaska eHealth Network (AeHN) is a carefully planned solution to our national health care problem of high spending and low returns on healthcare. AeHN was established as a 501(c)(3) in 2008 to create a statewide, standards- based electronic health network which will allow individual Alaskans to have their own personal health record and to authorize their health care providers to exchange electronic medical records in a timely, secure manner.

The Mission of AeHN is: ***To improve the safety, cost effectiveness, and quality of healthcare in Alaska through the promotion and facilitation of widespread use of secure, confidential electronic clinical information systems including electronic health records and health information exchange.***

When complete, AeHN will have the capability to provide any Alaskan with a secure Personal Health Record, including authorization for their health care providers to access electronic records required for continuity of care, such as hospitalization records, medical history, prescription information, vaccinations, allergies, imaging records and laboratory results. The Network will support telemedicine services, the transfer of high resolution images for patient care, video conferencing, and Voice over Internet applications for providers.

AeHN to date has been a collaborative partnership of the Alaska Federal Health Care Partnership (including the Veterans Administration, the Department of Defense, the Indian Health Service, and the U.S. Coast Guard), the Alaska Primary Care Association, the Alaska Native Tribal Health Consortium, the Alaska State Hospital and Nursing Homes Association, the Alaska Mental Health Trust Authority, Premiera Blue Cross/Blue Shield, AARP Alaska, the State Department of Health and Social Services, and the Alaska EHR Alliance (private physicians).

AeHN and its partners have been the recipient of several grants to develop health information exchange strategies and pilot hardware and software solutions. However, these funds did not cover operations infrastructure. The Denali funds are a direct match to the grants received and will allow AeHN to develop the operational capacity needed to manage and plan for sustainment of a statewide infrastructure for health information exchange.

### ***STATUS UPDATE:***

During the first quarter (September 1, 2009 to December 31, 2009), AeHN continued development of operations capacity to support the hardware/software infrastructure needed to operate a health information exchange. Organizational startup processes using Denali funds include:

**Financial Infrastructure:** The accounting firm of Thomas, Head & Greisen was retained to assist with: development of a chart of accounts; development of financial policies and procedures; and tax preparation processes. AeHN Board of Directors approved the policies at the board meeting in November 2009.

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**Personnel Infrastructure:** Lou Christie Consulting assisted in the development of human resource policies and job descriptions for key positions. AeHN Board of Directors approved the policies at the board meeting in November 2009.

**Legal Counsel:** The law firm of Sedor, Wendlandt, Evans & Filippi, LLC was retained to assist with review of policies, development of information data breach procedures, grant procedures, and procurement and subcontractor procedures. The firm also assisted with the application for IRS tax exempt status and negotiations with EHR vendors to develop template contracts for private physicians.

**Business Processes:** ACS Health Solutions assisted in revising the business and technology plan developed in 2008. The revised plan reflects the current state of health information exchange from a national, state and local perspective.

**Grant Writing:** Salient Health Solutions and Debby Tennyson were retained to provide grant writing assistance for two Health IT grants funded by the Office of the National Coordinator for Health IT; Beacon Community and Regional Extension Center. These grants are both due in the next quarter.

Additional funds were used to purchase office supplies of paper, notebooks and printing services.

### ***TIMELINE UPDATE:***

The project is on time and within budget for the first quarter. Work completed in this quarter includes: RFP and Contract Development, Organization Policies, Participant Agreements, Financial Policies and Procedures, and Grant Applications.

### **Board of Directors:**

**President:** Paul Sherry, Alaska Native Tribal Health Consortium

**Vice President:** Jerome List, MD, Alaska EHR Alliance, Alaska Ear, Nose and Throat

**Secretary:** J. Patrick Luby, Advocacy Director, AARP Alaska

**Treasurer:** Garth Hamblin, Chief Financial Officer, Bartlett Regional Hospital

Rod Betit, President/CEO, Alaska State Hospital and Nursing Home Association

Jeff Davis, VP/General Manager, Premier Blue Cross Blue Shield of Alaska

Joel Gilbertson, Regional Director, Providence Health System

Marilyn Kasmar, Executive Director, Alaska Primary Care Association

Tom Nighswander, MD, Assistant Regional Dean, WWAMI Program, UAA

Karen Perdue, VP Health Programs, University of Alaska

Alex Spector, Director, Alaska VA Health Care System and Regional Office

Jim Yarmon, President/CEO, Yarmon Investments

**Why does Alaska need health information exchange?**

Many Alaskan health care agencies and providers have begun the expensive and gradual transformation of their medical record systems from paper to electronic (commonly referred to as Electronic Health Records or EHRs). Alaska medical providers are expected to invest well over \$100 million in these systems over the next five years. But EHRs alone do not solve the health care problem. It takes all the EHRs sharing data through a statewide health information exchange network to create change in health care processes.

The parallel development of a private statewide network will unify and secure these separate electronic health record networks, connecting health providers and consumers to critical medical information for timely and quality patient care. Such Health Information Exchange (HIE) networks are being developed in many lower 48 states and regions with support from the U.S. Department of Health and Human Services and the Federal Communications Commission.

Where they have been developed successfully, the benefits of HIE networks include;

- improved patient access to medical care,
- reduced incidents of duplicate and unnecessary testing and procedures,
- improved patient safety,
- reduced health agency administrative costs,
- greater patient and provider satisfaction, and
- enhanced and rapid response to public health emergencies.

National studies demonstrate annual cost savings from the use of Electronic Health Records and HIE networks at approximately 5% of health care expenditures; this equates to an annual savings of \$249 million based on Alaska's \$5 billion health care expenditures, or an annual savings of \$10-14 million based on the State of Alaska's \$250 million Medicaid program.